

Unfortunately, almost every Senate Republican chose to side with the richest Americans and filibuster our middle-class tax cut bill. In a surprising development, their leadership's own bill to simply extend the middle-class tax cuts while protecting the wealthiest Americans was opposed by the majority of Republicans.

Republicans spent months on the Joint Select Committee on Deficit Reduction saying that the tax cuts for the wealthiest Americans should be made permanent, that the wealthiest Americans and biggest corporations should get even deeper tax cuts, the tax cuts for the rich should not be paid for and should be simply added to the deficit, and that a pledge made to a Republican lobbyist named Grover Norquist gave them no choice but to support tax cut extensions.

So I have to say I am truly disappointed to see, once again, that this apparent concern for tax cuts only seems to extend to millionaires and billionaires. Now that a break for the middle class is on the verge of ending in a few short weeks—potentially causing deep harm to our weak economy—those Republicans who fought tooth and nail for tax cuts for the rich are nowhere to be found. In fact, many of them are actively opposing it.

Republicans seem to be operating under the backwards economic principle that only tax cuts for the richest Americans and biggest corporations are worth fighting for. In fact, they have a name for that group of people. They call them the job creators. They believe the only ones who create jobs in America are the rich, and they claim the tax cuts and loopholes they fight for that benefit the wealthy will somehow trickle down to the rest of us.

Well, that is wrong. We know the Republican economic policy has failed us. It was this kind of thinking that turned a surplus into a deficit, that brought our economy to its knees, that failed our middle class and allowed the wealthiest Americans to amass record fortunes, paying the lowest tax rates in decades. It is the wrong way to go. Americans know it and our country has the scars to prove it.

A constituent of mine named Nick Hanauer recently published an op-ed in Bloomberg Businessweek that speaks to this point exceptionally well. Nick is a businessman. He is a venture capitalist in Seattle. He helped to launch more than 20 companies, including amazon.com, and he has a deep understanding of 21st-century jobs and the innovation economy.

Nick wrote that it is not tax cuts for the rich that create jobs—and I want to quote him. He says:

Only consumers can set in motion a virtuous cycle that allows companies to survive and thrive and business owners to hire. An ordinary middle-class consumer is far more of a job creator than I ever have been or ever will be.

He advocates ending the tax breaks for the rich and using some of that sav-

ings to give average working families a break and put more money in their pockets. Nick's logic is clear, and it makes economic sense. It is in line with what the American public believes, and it is exactly why this middle-class tax cut needs to pass.

So while I strongly supported our last bill that would have extended and expanded this tax cut on both workers and employers, it was clear that Republicans were not going to drop their filibuster. So we are back now with a compromise.

Republicans claim to be concerned that our bill was too big, so we scaled it back. They didn't like the surcharge on the wealthiest Americans, so we cut it down significantly and we made it temporary. To make it even more acceptable, we included spending cuts that both sides said were acceptable as well as their proposal to make millionaires ineligible to receive unemployment insurance and food stamps.

The compromise that is before us is fully paid for. It extends and expands payroll tax relief for millions of middle-class families in our country. It will create jobs and provide a critical boost for this economy at a time when we desperately need it.

So I continue hoping that our Republican colleagues will be as focused on tax cuts for the middle class as they are for the wealthiest Americans and largest corporations. I hope they stand with us to pass this critical legislation in time for the holidays because that is what American families want.

I thank the Chair.

I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MERKLEY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

CORDRAY NOMINATION

Mr. MERKLEY. Mr. President, tomorrow we will be voting on whether to close debate on the nomination of Richard Cordray as Director of the Consumer Financial Protection Bureau. This vote can be framed in terms of his qualifications, but that would be a mistake because folks on both sides of the aisle have noted he is exceptionally qualified for this position. He is a graduate of Michigan State University, of Oxford University, and the University of Chicago Law School, where he was editor in chief of the University of Chicago Law Review.

In addition, he has held a number of public positions with honor and distinction as State representative, as Ohio's treasurer, as Ohio attorney general. Indeed, as Ohio's attorney general, he was an aggressive advocate for consumers. He recovered more than \$2 billion for Ohio's retirees, investors

and business owners and took major steps to help protect its consumers from fraudulent foreclosures and financial predators. What a terrific resume. He is an individual who has stood up for retirees, business owners, and investors. He has said fraud will not be tolerated. We will seek it out and we will penalize it and we will end it. In other words, it is exactly the resume of someone we would want to head a consumer financial protection department or division or bureau.

Why are we voting tomorrow to end debate? Why don't we just have a unanimous consent agreement that we go to a final vote? The answer is, my colleagues across the aisle are objecting. They are objecting to a vote on his nomination not because he isn't qualified but because they want to prevent this agency from doing its job: protecting America's families against predators. I cannot think of many issues that are so important to the success of our families as making sure they are not subject to financial predators. Yet my colleagues across the aisle are opposing this nomination in order to protect the predators preying on America's families. That is just plain wrong. I hope they will change their position before tomorrow.

Let's turn the clock back to 2003. In 2003, a new type of mortgage was invented in the United States. This was a mortgage that had a 2-year teaser rate—a very favorable, low rate—so as to serve as the bait for mortgage originators to say to their clients: This is the best mortgage for you because it has the lowest rate. But what the originators didn't tell their clients was that after 2 years, that rate exploded to a very high interest rate—a predatory rate—and they couldn't get out of the mortgage because the mortgage had a little sentence in it that said they have to pay a huge penalty if they try to refinance this mortgage. That penalty was 5 or 10 percent of the value of the loan. Show me a working family in America who buys a house, puts down their downpayment, makes their repairs, gets moved in, and still has 10 percent of the value of the house sitting in the bank, able to pay a penalty so they can get to a fair interest rate after the interest rate explodes.

So this new mortgage turned the humble, amortizing, family mortgage that had been the pathway for the middle class, for millions of American families, into a predatory trap that destroyed families and that created a lot of wealth for the 1 percent who run the system in our society. Have no doubt, that 1 percent got in, in every possible way. They said: Let's package these predatory mortgages and sell them and then let's take pieces of those packages and combine them with pieces of other security packages and resell them and then let's develop a brandnew insurance industry that insures securities. This insurance is what is often called credit default swaps or derivatives, which are fancy names for insurance on

these packages and mortgages. So then they said let's thereby make them very attractive to pension funds and investors across the world. This was so successful that those who were buying the mortgages were willing to pay a huge bonus to the mortgage originators to steer families away from the very successful, humble, amortizing, fixed-rate mortgage into this predatory, exploding interest rate mortgage, all the time posing as the family's counselor, saying it is my job to do what is best for you.

Why did this predatory practice in 2003, that grew enormously over the next 4 years, continue to go on? What happened to oversight of fairness, and what happened to the agency that was supposed to shut down predatory practices? That agency was the Federal Reserve and the Federal Reserve is a very powerful organization. The Federal Reserve has two responsibilities: employment and monetary policy. Those are the traditional responsibilities, but they were given a third, which is consumer protection. Somewhere in that vast, powerful agency on the upper floor, the head of the Federal Reserve and his key advisers were hard at work on monetary policy, deciding what interest rates they would lend to our major banks, and they were hard at work, we would hope, on the employment side as well. But they seemed to have forgotten they were also responsible for consumer protection. That mission was set aside. It was put down in the basement of the building and the lights were turned off and the doors locked and they did absolutely nothing about these predatory practices that were destroying the finances of millions of Americans, that were betraying the fundamental relationship between a family and its trusted mortgage originator who was getting bonus payments for steering them into these loans. They did absolutely nothing about a number of other predatory practices.

That is why the Consumer Financial Protection Bureau was created. It doesn't have other responsibilities to distract it. It isn't going to take the fate and success of our families and lock that mission down in the basement and turn out the lights because this is the heart of why this bureau exists.

This vote tomorrow is about whether we believe in the family value of fair deals that build the success of our families or whether we believe in the 1 percent exercising full predatory practices to destroy the financial lives of Americans, destroy the financial lives of our veterans for standing up for us in war and who are often a highly targeted group when it comes to these types of mortgage practices and these types of payday practices.

This is an important vote tomorrow. It is not a vote about the qualifications of the nominee because the nominee has the right set of skills to be highly qualified in a number of directions. It

is a vote about whether, in America, one believes it should be OK to be a predator or not OK. I believe it is not OK. I believe States and the Federal Government should do all they can to make sure deals are fair, to make sure there are not conflicts of interest, to make sure there are not payments that are undisclosed to a customer, to make sure there are not hidden clauses to convince customers by their trusted advisers to sign documents which cause the destruction of families' financial lives over the next 10 to 20 years as a result of that trust. Fairness matters to the success of our families.

We should have a unanimous vote tomorrow to end this debate and get on to the final vote of whether to confirm a very distinguished and capable and honorable man who is prepared to fight for the success of American families.

I thank the Chair.

DEFENSE AUTHORIZATION

Mr. CASEY. Mr President, I would like to express my support for the Menendez amendment, which passed 100 to 0 and would sanction the Central Bank of Iran. I was proud to be an original cosponsor of this important legislation. The Islamic Republic of Iran has proven through its recent behavior its blatant disregard for its international commitments to the IAEA and for the universal declaration of human rights. Iran is a serious threat to the security of the United States, the Middle East, and the world.

Last month's IAEA report on Iran said that the Agency had credible information that Iran may have worked on developing nuclear weapons. This is the most damning report yet on Iran's nuclear program and has served as a wake up call to the world. The United Kingdom has responded with tough sanctions. Italy and France have expressed support for tougher measures.

This opinion has been held by many here in the Senate for a long time. That is why we in the Senate have been so persistent in our efforts to pursue tougher sanctions to isolate Iran. This is why we continue to strive to provide all the tools necessary to ensure that maximum pressure is brought to bear on the regime in Tehran.

I appreciate the administration's efforts to engage with the Iranian regime since coming into office. The administration has made serious efforts to diplomatically engage Tehran officials. But the regime has rejected requests by the United States and international community for true dialog. Regrettably, I do not think dialog will work with this regime.

The IAEA report was a culmination to months of events that showed Iran's brazen disregard for international norms. In October, the regime planned to assassinate the Saudi Ambassador to the United States. The Iranian regime sought to kill a senior foreign official on U.S. soil.

There must be consequences for the planned attack on the Saudi Amba-

sador. There must be consequences for Iran's nuclear conduct as evidenced in the new IAEA report. This amendment makes these consequences clear.

I am concerned that the administration's November 21 sanctions response is not adequate in responding to this new information on Iran's intentions. European countries, led by the United Kingdom and France, have called for sanctioning of the Central Bank of Iran. My question to the administration is this: does the IAEA report indeed reflect a turning point for U.S. policy? And if so, what should the United States do to address this looming threat? The administration's announcement of new sanctions on November 21 is a good step, but the United States must take this one step further and sanction Iran's Central Bank. If the IAEA report does not indicate that we have turned a corner with respect to this critical national security threat, I don't know what does.

This administration has taken unprecedented measures to isolate the Iranian regime. It understands the threat posed by a nuclear Iran. And while I appreciate the administration's focus on this issue at this critical juncture in history, I believe that we must do more.

This amendment would restrict U.S. financial institutions from doing business with any foreign financial institution that knowingly conducts financial transactions with Iran's Central Bank. With this amendment, we are hitting Iran where it hurts. Eighty percent of Iran's hard currency comes from crude oil sales, which depend on transactions through the Central Bank. The Central Bank of Iran is complicit in Iran's nuclear program. This amendment also has measures that would ensure that the oil markets are not affected by isolation of the Iranian oil industry. The amendment also requires the President to start a "multilateral diplomacy initiative" to convince other countries to cease oil imports from Iran.

It has become increasingly clear in the past month that the international community cannot negotiate with the current leadership in Iran, which has proven incapable and unwilling to abide by its international commitments. This was made crystal clear by the planned attack on the Saudi Ambassador, credible evidence of illegal nuclear activity in the IAEA report, and the attack on the British Embassy. I believe that we have turned a corner in how we should regard this regime in Iran.

This means that in addition to severe sanctions, the United States should renew its support for democratic activists in Iran. Amid the remarkable change taking place across the region, the United States should clearly place itself on the side of democratic forces in Iran. Compromise with the current regime is not possible, and we, working with the international community, should work to engage fully with the democratic actors in the country.